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PSC SELECTS CONSULTANT TO ASSIST WITH ELECTRIC GRID RELIABILITY STUDY

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FRANKFORT- The Kentucky Public Service Commission has selected Commonwealth Associates, Inc., (CAI) to help conduct a study of the reliability of Kentucky's electric transmission grid.

The study is in response to the August 14, 2003, blackout which disrupted service to about 50 million customers in the Midwest, Northeast and Canada. The study was initiated shortly after the blackout, when PSC staff met with the transmission-owning utilities in Kentucky. Although it is not regulated by the PSC, the Tennessee Valley Authority is participating in the study.

"While we are confident that Kentucky has a robust and efficient electric transmission system, we believe it is important to identify any potential concerns that could compromise reliability," PSC Executive Director Tom Dorman said. "We are particularly interested in issues arising out of the regionalization of electricity markets and the greater use of the grid to move power over long distances."

Dorman noted that, in selecting CAI to assist with the study, the PSC had chosen a consulting firm that is very familiar with Kentucky's electric transmission grid.

CAI, based in Jackson, Michigan, was the PSC consultant for an earlier study of Kentucky's electric infrastructure. That study, conducted as PSC Administrative Case No. 387, reviewed the adequacy of Kentucky's electric generation and transmission system. It produced a December 2001 report that concluded that Kentucky has ample capacity to meet the state's needs.

The reliability study is a continuation of Administrative Case No. 387. It is being conducted as a Focused Management Audit, which means that the cost of retaining CAI will be borne by the participating utilities.

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